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(1124)

5 May 1969

MEMORANDUM

SUBJECT: Retention of Activities in Pre-Electoral Period

1. At the conclusion of the recent election operation which was designed to a) support individual moderate candidates of the democratic political parties, b) fund a dissident Socialist party, [REDACTED] c) carry out propaganda activities against the Marxist left, a review was made to determine which mechanisms and activities should be retained for the period leading up to the September 1970 presidential election in Chile. It is considered that the following merit retention for general use in the coming months, in support of our normal operational requirements and for possible expansion and increased exploitation in the event that we are directed to take a more decisive role in support of a particular party or candidate.

A. [REDACTED]

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B. Support to dissident Socialist Party. During the March 1969 congressional campaign we channelled [REDACTED] in local currency to the Popular Socialist Union (USP) in an effort to fragment the left and in particular to weaken the pro-Castro Socialist Party (PS). Although the USP won only 51,600 votes (2.2 percent of the total) and failed to elect any congressional representatives (there is a disputed contest in the First Senatorial District which may result in the election of a USP senator), it won sufficient votes to deny at least seven seats to the parent Socialist Party. These seats were won by moderates of democratic parties. At this stage, the USP plans to continue its activities as a political party. Because of the bitter personal rivalry that exists between its leader, Raul Ampuero and PS Senator Salvador Allende who now appears to be the most likely FRAP presidential candidate, the USP can be expected to oppose Allende's nomination. The USP is also more firmly opposed to a FRAP alliance with the Radical Party than is the PS, and can also be expected to work against such an electoral pact. We, therefore, propose to continue funding the USP, via the same secure channel as before, to enable it to continue its divisive tactics within the Marxist camp.

Cost: [REDACTED]

C. Support to Radical Party Moderates. Moderates in the Radical Party (PR) who are opposed to the leftist, pro-Marxist stance of the National Executive Committee (CEN) have begun to organize themselves to prevent a sell-out of their party to the FRAP. Up until recently, the moderates have been disorganized, dispirited and lethargic and the leftists were able to gain leadership of the party almost by default. There have been recent encouraging signs, however, that moderate elements are willing to fight to retain the independent stance of the PR, which is Chile's oldest political party and which has traditionally represented the middle class. During the recent congressional election the PR made a very poor showing, falling from 16 percent in 1967 to 12.9 percent in March. The moderates, which have recently organized themselves into the MURP (Movement for the Unity and Recuperation of the Radical Party) are attacking the CEN and leftist leadership for electoral failures and for attempting to form an alliance with the FRAP. We propose assistance to PR moderates in their efforts to weaken [REDACTED]

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and discredit the CEN. Our interest is in conduction a spoiling operation to unify moderates, and particularly the anti-Marxists which make up the majority of the rank and file members of the PR, and to deny as many PR votes as possible to the FRAP. It is realized, however, that PR votes denied to the FRAP may go to former President Alessandri. Funds requested: [REDACTED]

2. It is suggested that Assistant Secretary Meyer be briefed on the above three activities and that he be asked to indicate whether any of them would be of interest to the 303 Committee. We do not believe that the activity involving use of the [REDACTED] need be taken up by the 303 Committee because it is a normal propaganda operation targeted at the Marxist left. The activity involving support to moderate Radicals is conceivably a border-line case since it involves elements of a political party. The operation to support the USP to enable it to continue to exist as a divisive impediment to leftist unity may require 303 Committee approval. Ambassador Korry has been briefed on these activities and concurs in them.

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